

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1092*
Committee Substitute Favorable 5/7/97

Short Title: Reduce Farm/Industry Fuel Tax.

(Public)

Sponsors:

Referred to:

April 21, 1997

A BILL TO BE ENTITLED
AN ACT TO PHASE DOWN THE SALES TAX ON ELECTRICITY AND PIPED
NATURAL GAS USED IN FARMING AND MANUFACTURING.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.4(a)(1f) reads as rewritten:

"(1f) ~~The rate of two and eighty-three hundredths percent (2.83%)~~ applicable rate provided in the table below applies to the sales price of electricity and piped natural gas described in this subdivision and measured by a separate meter or another device:

<u>Effective Date</u>	<u>Rate</u>
<u>October 1, 1997</u>	<u>2.67%</u>
<u>July 1, 1998</u>	<u>2.34%</u>
<u>July 1, 1999</u>	<u>2%</u>
<u>July 1, 2000</u>	<u>1.67%</u>
<u>July 1, 2001</u>	<u>1.34%</u>
<u>July 1, 2002</u>	<u>1%</u>

- a. Sales of electricity and piped natural gas to farmers to be used by them for any farm purposes other than preparing food, heating dwellings, and other household purposes. The quantity of

1 electricity or gas purchased or used at any one time shall not be a
2 determinative factor as to whether its sale or use is or is not
3 subject to the rate of tax provided in this subdivision.

4 b. Sales of electricity and piped natural gas to manufacturing
5 industries and manufacturing plants for use in connection with
6 the operation of the industries and plants other than sales of
7 electricity and gas to be used for residential heating purposes.
8 The quantity of electricity or gas purchased or used at any one
9 time shall not be a determinative factor as to whether its sale or
10 use is or is not subject to the rate of tax provided in this
11 subdivision.

12 c. Sales of electricity and piped natural gas to commercial laundries
13 or to pressing and dry-cleaning establishments for use in
14 machinery used in the direct performance of the laundering or the
15 pressing and cleaning service."

16 Section 2. Effective July 1, 2002, G.S. 105-164.4(a)(1c) reads as rewritten:

17 "(1c) The rate of one percent (1%) applies to the sales price of the following
18 articles:

19 a. Horses or mules by whomsoever sold.

20 b. Semen to be used in the artificial insemination of animals.

21 c. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and
22 electricity to farmers to be used by them for any farm purposes
23 other than preparing food, heating dwellings and other household
24 purposes. The quantity of fuel or electricity purchased or used at
25 any one time shall not ~~in any manner~~ be a determinative factor as
26 to whether ~~any its~~ sale or use ~~of fuel~~ is or is not subject to the one
27 percent (1%) rate of tax ~~imposed herein.~~ provided in this
28 subdivision.

29 d. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and
30 electricity to manufacturing industries and manufacturing plants
31 for use in connection with the operation of ~~such these~~ industries
32 and plants other than sales of ~~fuels~~ fuel or electricity to be used
33 for residential heating purposes. The quantity of fuel or
34 electricity purchased or used at any one time shall not ~~in any~~
35 ~~manner~~ be a determinative factor as to whether ~~any its~~ sale or use
36 ~~of fuel~~ is or is not subject to the rate of tax provided in this
37 subdivision.

38 e. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and
39 electricity to commercial laundries or to pressing and dry-
40 cleaning establishments for use in machinery used in the direct
41 performance of the laundering or the pressing and cleaning
42 service.

1 f. Sales to freezer locker plants of wrapping paper, cartons and
2 supplies consumed directly in the operation of such plant."

3 Section 3. Effective July 1, 2002, G.S. 105-164.4(a)(1f) is repealed.

4 Section 4. This act does not affect the rights or liabilities of the State, a
5 taxpayer, or another person arising under a statute amended or repealed by this act before
6 the effective date of its amendment or repeal; nor does it affect the right to any refund or
7 credit of a tax that accrued under the amended or repealed statute before the effective
8 date of its amendment or repeal.

9 Section 5. Sections 2 and 3 of this act become effective July 1, 2002, for cycle
10 billing dates occurring on or after that date. The remainder of this act becomes effective
11 October 1, 1997, for cycle billing dates occurring on or after that date.